THE FUND | RETIREE HEALTH & WELLNESS
SAN ANTONIO FIRE AND POLICE

Minutes of the Meeting
of the Board of Trustees of the
Fire and Police Retiree Health Care Fund, San Antonio
June 29, 2026

PRESENT: Frank Gutierrez, Fire Department Retiree Representative;
Chris Lutton, Police Department Representative;
Mike Despres, Retired Police Representative;
Steve Carse, Fire Department Representative;
Doug Berry, Fire Department Representative;
Jason Sanchez, Police Department Representative; and
Councilperson Misty Spears, City of San Antonio.

ABSENT: Councilperson Jalen McKee-Rodriguez, City of San Antonio; and
Councilperson Edward Mungia, City of San Antonio.

OTHERS PRESENT: James Bounds, Executive Director, and Cecilia Puga, Retiree Health Care;
Frank Burney, Martin & Drought, P.C.; and
Charlie Ricketts and Michael Trainer, Retirees Association.

At 10:03 a.m., Chair Berry called the meeting to order. The roll was called, and a quorum was declared present. The minutes from the meetings held on May 26, 2026, and June 25, 2026, were reviewed and unanimously approved upon motion by Trustee Sanchez and second by Trustee Gutierrez.

EXECUTIVE SESSION: None.

MEMBERS TO BE HEARD: See attached.

ACTION ITEMS:

1. Investments: Chair Lutton reported on minor changes to the Investment Policy Statement. Upon motion by Trustee Lutton and second by Trustee Spears, the Investment Policy Statement was unanimously approved.

2. Personnel/ Audit: Mr. Bounds reported that the final audit will likely be finished by July Board meeting.

3. Benefits: No report.

4. Legislative: Chair Carse presented the Legislative Program for 2027. Actuarial review on the proposed changes is expected in the next two weeks.

5. Administrative Report:

a. Expenses: Mr. Bounds presented the expenditures for the Fund. Upon motion by Trustee Sanchez and second by Trustee Spears, a list of expenses and claims and the Financial Report were unanimously approved by the Board.

b. Strategic Business Planning Committee: None.

c. Administrative Building: Mr. Bounds reported on architectural plans by November for new headquarters.

d. Health By Design: Chair Berry reported that all discussions regarding possible acquisition have terminated.

6. Consultant Report:

a. Legal: Mr. Burney reported on recent NAPPA Conference Legal Issues facing Pension and Health Funds.

b. Financial Disclosure 2026: COSA Trustees need to submit their financials.

7. Educational Opportunities:

Upon motion by Trustee Carse and second by Trustee Gutierrez, the Board approved attendance at any of the following educational opportunities:

- Cerity Partners: Institutional Client Summit, July 20-21, 2026
- TEXPERS: Summer Education Forum, August 2-4, 2026

8. Next Meeting: The next regularly scheduled meeting will be July 27, 2026 at 10:00 a.m. A Benefits Meeting will be held at 11:30 a.m. to discuss Continuous Glucose Monitors.

ADJOURNMENT: There being no further business, a motion was made by Trustee Despres and second by Trustee Spears that the meeting adjourn. The motion carried unanimously. The meeting adjourned at 11:05 a.m.

Enclosures
- Financial Statement
- List of approved claims and expenses
- Agenda
- Minutes of May 26, 2026 and June 25, 2026 Meetings of the Board

Members to Be Heard

1. Michael Rankin: expects Board to respond to Retirees' questions. Also raised concern with the practice of approving minutes.

2. Patricia Rankin

3. Wally Yates: Asked what action was taken in regards to Health by Design.

4. Kenneth Hagen: Appreciates clinics and Board.

5. Roy Willborn

6. Jana Willborn

7. David Montalvo: wants fairness and transparency by the Board and its members.

8. Nikki Montalvo

9. Javier Patlan

10. Jim Wueste

11. Tylan Weisetz

12. Patsy Rogers

13. Anthony Rogers: does not support any recall. Based on his background, wants due diligence for medical treatments.

14. Bart Moczygemba: appreciates the work by the Board based on his past role as a Pension Trustee.

15. Michael Helle: as a retiree, appreciates the health care benefits retirees receive. All experiences with the clinics have been excellent. Appreciates the hard work that the Board does.

16. Keith Cruske

17. Armando Perez

18. Jimmy Rodriguez: supports the Board and the clinics.

19. Larry Reed: appropriate to raise the CGM issue and satisfied with Board decision. Recommends that the Board review record-keeping. Finally, supports the clinics and the job they are doing. Absolutely opposed to any recall of the Board.

20. Joe Carrillo

21. Robert McConnauhey

22. Charlie Ricketts (President – Pensioner's Association): proud that all parties are working together to resolve issues.

23. Mike Trainer: Past President of Pensioners' Association. Keeping minutes is not a total recitation of everything that accrued – just important discussion and actions of the Board. Strong supporter of clinics.

THE FUND | RETIREE HEALTH & WELLNESS
SAN ANTONIO FIRE AND POLICE

AGENDA
BOARD OF TRUSTEES MEETING
FIRE AND POLICE RETIREE HEALTH CARE FUND
LOCATED AT 11603 W. COKER LOOP, SUITE 210, SAN ANTONIO, TX 78216
Monday, June 29, 2026-10:00 a.m.

Members of the public may provide comment on any Agenda item, consistent with procedural rules governing the Board meetings and state law. Public comments may be provided as follows:

a. Written: Submit written comments, along with name and address, by emailing them to Leticia Deleon at ldeleon@thefundsa.org by 12:00 p.m. on the day before the meeting. Comments will be read into the record during the designated time on the agenda.

b. In Person: Speakers shall be given the opportunity to speak at the beginning of the meeting during "Public Comment" for up to 3 minutes (6 minutes if translation is needed).

1. Call to Order:

2. Roll Call: Doug Berry, Frank Gutierrez, Steven Carse, Chris Lutton, Michael Despres, Jason Sanchez, Mayoral Appointee Edward Mungia, Councilperson Jalen Mckee-Rodriguez, Councilperson Misty Spears

3. EXECUTIVE SESSION (Discussion only – Closed to Public):

The Board of Trustees may recess the meeting to the public at any time and hold an Executive Session pursuant to the Texas Open Meetings Act, Chapter 551.071, of the Texas Government Code. Such Act provides for Executive Session on any matter to be considered during the meeting as it relates to consultation with attorneys, real property, personnel, and other matters. While any matter on the agenda may also be discussed, these specific matters may be discussed with counsel in Executive Session:

a. **Government Code §551.072 – Discussions Regarding Purchase, Exchange, Lease, or Value of Real Property if Deliberation in an Open Meeting Would Have a Detrimental Effect on the Position of Health Fund in Negotiations with a Third Party;**
b. **Government Code §551.071 - All Matters Where Health Fund Seeks the Advice of its Attorney as Privileged Communications under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas, including but not limited to, tax qualification of the Fund.**
c. **Pending or Contemplated Litigation including, but not limited to, PBM contractors.**
d. **Government Code §551.074- Personnel Matters involving Senior Executive Staff and Employees of Health Fund.**
e. **Government Code 551.078 and .0785: Deliberation Involving Individuals' Medical or Psychiatric Records.**

4. Minutes (Discussion and possible action):

- Board Meeting Minutes for May 26, 2026

5. Public Comment:

6. Committee Reports (discussion and possible action):

   a. Investments:

   b. Personnel/Audit:

      - Update on Audit

   c. Benefits:

      - Updates on SSDC Company

   d. Legislative:

7. Administrative report (discussion and possible action):

   a. Draft financial reports for May 2026
   b. Discussion of Strategic Business Planning Committee Meeting
   c. Update on Administrative Building
   d. Acquisition of Health By Design

8. Consultant Reports (discussion and possible action):

   a. Legal: Report by Frank Burney

      - Financial Disclosure 2026

9. Educational Opportunities (discussion and possible action):

   - Cerity Partners: Institutional Client Summit July 20-21, 2026
   - TEXPERS: Summer Educational Forum August 2-4, 2026

10. Adjournment:

NOTE:
Speakers may address the Board regarding any specific Agenda Item, on any matter related to Fund business, or on matters that are within the scope of the authority and legislative functions of the Board. Speakers shall be given the opportunity to speak at the beginning of the meeting during "Public Comment" for up to 3 minutes (6 minutes if translation is needed.) Enumerated agenda items are assigned numbers for ease of reference only and will not necessarily be considered by the Board in that order. For those who need assistance due to physical challenges, accommodation can be arranged by contacting James Bounds at 210-494-6500.

THE FUND | RETIREE HEALTH & WELLNESS
SAN ANTONIO FIRE AND POLICE

Minutes of the Meeting
of the Board of Trustees of the
Fire and Police Retiree Health Care Fund, San Antonio
May 26, 2026

PRESENT: Frank Gutierrez, Fire Department Retiree Representative;
Chris Lutton, Police Department Representative (departed at 10:40 am)
Mike Despres, Retired Police Representative;
Steven Carse, Fire Department Representative;
Doug Berry, Fire Department Representative;
Councilperson Jalen McKee-Rodriguez, City of San Antonio; and
Councilperson Misty Spears, City of San Antonio.

ABSENT: Councilperson Edward Mungia, City of San Antonio; and
Jason Sanchez, Police Department Representative.

OTHERS PRESENT: James Bounds, Executive Director, and Cecilia Puga, Retiree Health Care;
Frank Burney, Martin & Drought, P.C.; and
Charlie Ricketts and Michael Trainer, Retirees Association.

At 10:04 a.m., Chair Berry called the meeting to order. The roll was called, and a quorum was declared present. The minutes from the meetings held on April 13, 2026, were reviewed and unanimously approved upon motion by Trustee Despres and second by Trustee Gutierrez

EXECUTIVE SESSION: The Board went into Executive Session at 10:59 a.m. to discuss legal issues regarding litigation, real estate acquisition, and legal issues with counsel. The Executive Session adjourned at 12:14 p.m. No action was taken

MEMBERS TO BE HEARD:

- Ralph Medina- retired SAFD
- Paul Villarreal- retired SAFD
- Robert Vargas- retired SAFD
- Jim Wueste- retired SAFD
- Keith Crusius- retired SAFD
- Charlie Ricketts- President SAF&P Pensioners Assoc.
- Mike Trainer – retired SAPD
- Mike Handowski- Retired SAFD
- Wally Yates- retired SAFD
- Jerry Cortez- retired SAFD
- Luis Morales- retired SAFD

- Armando Perez and wife- retired SAFD
- Carlos Cortez and wife- retired SAFD
- Mike Rankin- retired SAFD

Generally, these retirees voiced their concerns on health care benefits, particularly related to diabetes management.

ACTION ITEMS:

1. Investments:

   Chair Lutton advised the Board of recent discussions on manager searches and revisions to Investment Policy. Policy modifications will be submitted to Board at next meeting.

2. Personnel/ Audit:

   Mr. Bounds informed the Board that the audit was in final stages, waiting for final valuations from investments.

3. Benefits:

   a. SSDC Company: Ms. Puga briefed the Board on possible engagement of SSDC to assist with disability benefits and Medicare enrollment prior to age 65. Board postponed any action on this contract.

4. Legislative: Mr. Burney reviewed the recommendations of the Legislative Committee to be reviewed by Foster & Foster:

   a. Maximum Lifetime Benefits:

   b. Spousal Benefits for Post-retirement Marriages:

   c. Refund of Member Contributions (pre- and post-vesting):

   d. 30 Year Maximum Cap on Contributions:

   Upon motion by Trustee Carse and second by Trustee Despres, the Legislative Committee's recommendations were unanimously approved to be sent to our actuary for cost analysis.

5. Administrative Report:

   a. Expenses: Mr. Bounds presented the expenditures for the Fund. Upon motion by Trustee Despres and second by Trustee Gutierrez, a list of

expenses and claims and the Financial Report were unanimously approved by the Board.

b. Strategic Business Planning Committee Meeting: no report

c. October Board Meeting Date Change: Upon motion by Trustee Carse and second by Trustee Gutierrez, the date of the October meeting was moved to October 19, 2026 at 10 a.m.

d. Design & Planning of New Administration/Clinic Building: Capital Development presented its recommendations for a new combined clinic/administrative HQ to be developed on property owned by the Fund at Highway 281 and Wurzbach Parkway. Two different options were presented:

(i) Option 1: 40,000 sf at a cost of $15-20M;
(ii) Option 2: much larger facility with third party rentals for 100,000 sf at a cost of $35-40M (includes structured parking, gym, conference space, and outside food truck/patio).

Return of investment for Option 2 was estimated to be in excess of 20 years.

Upon motion by Trustee Despres and second by Trustee Gutierrez, the Board unanimously approved moving forward with Option 1 subject to final costs, design, and schedule (likely construction start date of 1/1/27).

a. Health By Design: Chair Berry advised the Board of his conversations with Health by Design regarding possible purchase. He recommended acquisition of all the clinic-based businesses for $24 million.

Upon motion by Trustee Berry and second by Trustee Carse, the Board unanimously approved the acquisition of Health by Design for $24M, with further discussions led by Chair Berry and due diligence with Executive Director Bounds relating to the prospective management and employees to run the clinics to be acquired from Health by Design.

6. Consultant Report:

a. Legal: Mr. Burney reported on numerous requests from retirees relating to Public Information and Open Meetings Acts and ADA Compliance. He will address each request on the best way to respond.

7. Educational Opportunities:

Upon motion by Trustee Lutton and second by Trustee Gutierrez, the Board approved attendance at any of the following educational opportunities:

- Opal Group: Public Funds Summit East, July 27-29, 2026
- Portfolio Advisors: Future Standard 2026 Annual General Meeting

8. Next Meeting: The next regularly scheduled meeting will be June 29, 2026 at 10:00 a.m.

ADJOURNMENT: There being no further business, a motion was made by Trustee Gutierrez and second by Trustee Carse that the meeting adjourn. The motion carried unanimously. The meeting adjourned at 12:19 p.m.

Enclosures
- Financial Statement
- List of approved claims and expenses
- Agenda
- Minutes
- Analysis by Capital Development for new HQ/clinic
- Letter from Health by Design Chair
- Letter from Retiree Luis Morales regarding allocation of speaking time
- Letter from Mike Rankin raising 10 issues and letter requesting over 75 Public Information requests.
- Letter from Wally "Gator" Yates requesting over 40 files

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THE FUND | RETIREE HEALTH & WELLNESS
SAN ANTONIO FIRE AND POLICE

CERTIFIED AGENDA OF CLOSED MEETING

HEALTH FUND

I, DOUG BERRY, THE PRESIDING OFFICER OF HEALTH FUND, CERTIFY THAT THIS DOCUMENT ACCURATELY REFLECTS ALL SUBJECTS CONSIDERED IN AN EXECUTIVE SESSION OF THE BOARD MEETING CONDUCTED ON MAY 26, 2026.

1. The executive session began with the following announcement by the presiding officer: "Health Fund is now in executive session May 26, 2026 at 10:59 a.m.

2. SUBJECT MATTER OF EACH DELIBERATION:

   - Discussions with attorney relating to his or her advice on legal matters related to any matter in which the duty of the attorney to Health Fund under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with the Open Meetings Act; and

   - Discussions regarding legal matters with counsel.

3. No further action was taken.

4. The executive session ended with the following announcement by the presiding officer: "This executive session ended on May 26, 2026 at 12:14 p.m."

_____
Presiding Officer

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11603 W. Coker Loop, Suite 130 | San Antonio, Texas 78216
Office: (210) 494-6500 | Fax: (210) 494-6505 | faprhcf@swbell.net

F&P Retiree Health Care Fund - Calendar
Statement of Plan Net Assets
May 31, 2026

	May 31, 2026	December 31, 2025
ASSETS		
Cash - City	$ 0.00	$ 0.00
Cash - Trust	178,816.73	4,577.45
Leasehold Improvements	32,706,665.74	41,268,585.76
Investments - Trust	726,035,688.92	677,953,654.12
Accrued Interest - Trust	4,273,705.07	4,743,196.89
Pre-paid Expenses	1,397,395.01	37,274.30
Total Assets	764,592,271.47	724,007,288.52
LIABILITIES		
Claims Payable	7,492,038.06	7,548,903.20
Accounts Payable	953,367.11	1,559,250.92
Security Lending Collateral	0.00	0.00
Total Liabilities	8,445,405.17	9,108,154.12
Net Assets Held in Trust	$ 756,146,866.30	$ 714,899,134.40

F&P Retiree Health Care Fund - Calendar
Statement of Changes in Plan Net Assets
For the Five Months Ending May 31, 2026

	Current Month	Current Budget	Year to Date	YTD Budget
Additions				
Contributions:				
City of San Antonio	$ 4,575,424.35	4,866,833.32	$ 25,141,390.07	24,334,166.60
Active	2,318,275.12	2,433,333.32	12,742,770.05	12,166,666.60
Retirees less then 30	93,656.40	116,249.99	517,313.88	581,249.95
COBRA	1,649.84	4,166.66	2,235.27	20,833.30
Children	79,475.00	76,500.00	390,575.00	382,500.00
Total Contributions	7,068,480.71	7,497,083.29	38,794,284.27	37,485,416.45
Investment Income:				
Interest	562,169.98	405,833.33	2,530,226.55	2,029,166.65
Net Appreciation of Inves	12,981,714.81	3,449,999.90	25,100,015.01	17,249,999.50
Other Income	0.00	1,666.66	741,328.85	8,333.30
Less Investment Expense	(58,133.33)	(32,749.75)	(211,166.65)	(163,748.75)
Net Investment Income	13,485,751.46	3,824,750.14	28,160,403.76	19,123,750.70
Total Additions	20,554,232.17	11,321,833.43	66,954,688.03	56,609,167.15
Deductions				
Members Benefit Paymen	5,987,487.92	5,776,249.99	23,468,103.48	28,881,249.95
COBRA Benefit Payment	75.98	4,166.66	95.33	20,833.30
Children's Benefit Payme	122,233.70	76,500.00	331,149.69	382,500.00
General and Administrati	331,106.70	345,916.55	1,907,607.63	1,729,582.75
Total Deductions	6,440,904.30	6,202,833.20	25,706,956.13	31,014,166.00
Net Increase	14,113,327.87	5,119,000.23	41,247,731.90	25,595,001.15

THE FUND | RETIREE HEALTH & WELLNESS
SAN ANTONIO FIRE AND POLICE

Minutes of the Special Meeting
of the Board of Trustees of the
Fire and Police Retiree Health Care Fund, San Antonio
June 25, 2026

PRESENT: Frank Gutierrez, Fire Department Retiree Representative;
Chris Lutton, Police Department Representative;
Mike Despres, Retired Police Representative;
Steve Carse, Fire Department Representative;
Doug Berry, Fire Department Representative;
Jason Sanchez, Police Department Representative; and
Councilperson Jalen McKee-Rodriguez, City of San Antonio.

ABSENT: Councilperson Misty Spears, City of San Antonio; and
Councilperson Edward Mungia, City of San Antonio.

OTHERS PRESENT: James Bounds, Executive Director, and Cecilia Puga, Retiree Health Care;
Frank Burney, Martin & Drought, P.C.;
Charlie Ricketts and Michael Trainer, Retirees Association; and
Numerous Fire and Police Retirees.

At 10:00 a.m., Chair Berry called the meeting to order. The roll was called, and a quorum was declared present.

EXECUTIVE SESSION: The Board went into Executive Session at 10:18 a.m. to discuss legal issues regarding litigation. The Executive Session adjourned at 11:15 a.m. No action was taken.

MEMBERS TO BE HEARD:

1. Wally Yates: Health by Design:
   i. Requested information on background on possible acquisition of Health by Design.
   ii. Will the members be engaged on their opinion on the acquisition.
   iii. Requested that the Board table the Health by Design acquisition.
2. Anthony Rogers: Requested additional information on the acquisition of Health by Design and process for Trustee recall.
3. Mike Rankin: Questioned the notice for Executive Session discussion for consultation with Fund's attorneys.

4. Keith Crusius: Questions whether the Board has the expertise to negotiate and consummate the acquisition by Health by Design.

ACTION ITEMS:

Health by Design: Upon motion by Trustee Carse and second by Trustee McKee-Rodriguez, the Board unanimously voted to reconsider the Board vote on May 26, 2026 to move forward with the acquisition of Health by Design.

Upon motion by Trustee Carse and second by Trustee Lutton, the Board unanimously voted to terminate all and any negotiations related to the acquisition of Health by Design.

NEXT MEETING: July 27, 2026 at 10:00 a.m.

The Chair announced that a Special Board Meeting after the regular July Board meeting on July 27, 2026, will likely be scheduled to discuss the topic of Continuous Glucose Monitors.

ADJOURNMENT: There being no further business, a motion was made by Trustee Lutton and second by Trustee Despres that the meeting adjourn. The motion carried unanimously. The meeting adjourned at 11:18 a.m.

Enclosures
- Agenda

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Frank Burney

From: Frank Burney
Sent: Tuesday, June 23, 2026 10:26 AM
To: Frank Burney; Iliana Daily (idaily@safppf.org)
Subject: NAPPA: National Association of Public Pension Attorneys June 16-19, 2026

For over 30 years, the Pension and Health Care Funds have graciously allowed counsel to attend **NAPPA**, the best legal conference for pension and health care matters. Iliana made her first of many trips to NAPPA and contributes her highlights as well...
It is a great opp to discuss pension issues informally with attorneys from around the country and hear from excellent speakers.

Topics ranged from AI effect on pension funds, regulatory and tax issues, plan design, litigation, and ethics (yes—attorneys at least listen to ethical behavior!).
Highlights include:

1. **AI:** 72% of responders have an AI policy in place focusing on approval for use, understanding risks, training, and record retention. Trustee's duties as fiduciary include overseeing use of AI. Texas has laws governing use of AI by governmental agencies.
   To begin with, ID use of AI by staff, vendors, and managers. Some funds use chatbots to estimate retirement outcomes or for onboarding members.
   Managers should be questioned as to use of AI to identify risk/ALPHA. Concerns include *"hallucinations,"* such as when AI models generate plausible but incorrect information.
   I note **NCPERS is having a Webinar on AI on June 24th: How AI is Reshaping Pension Administration.**

2. **Federal Issues:**
   a. **ESG and DEI** are dead. **SEC** is already reducing its enforcement actions and reporting to investors semi-annually rather than quarterly.
   b. No major tax or legislative issues that might affect our Funds, but **HELPS** exclusion amount may be increased by double. **Mandatory SS, SECURE Act,** and other possible changes are still floating around...
   c. **ADA:** since **ADA** issues have recently been raised, there are some "website compliance" regs that may be promulgated which would require accessibility to websites and social media for those with disabilities. IT professionals should be engaged to ensure that the site provides technology like "screen readers" and "high contrast color combinations."
   d. **Securities Lending:** possible increased reporting requirement by 9/28.
   e. **Short-sale reporting:** 1/28

3. **Disabilities:** some Funds are encouraging greater preemployment physical or medical records to use for later disability applications, such as family history and off-duty exposure. This is especially true for hiring Vets, who often have military disabilities.
   Some Funds are treating initially as a **"leave of absence"** with full disability bennies for five years, subject to regular exams to determine if the disability still exists: If it is determined that the member is no longer disabled, he is sent back to his employer for work.
   There also are some interesting cases with military PTSD diagnosis that is aggravated by on the job PTSD exposure, thereby resulting in full disability from current employment.
   40% of 20M vets receive service-connected disability pay.

Ways to cut down disability retirements: physical fitness requirements and incentives (cash, gyms, wellness program, and annual physicals) and prevention safety programs (exposure cleaning, injury prevention).

4. **Class Action Securities Litigation:** this is the first Conference in many years that a Rep from Plaintiff Securities Firms did not make a presentation. It was suggested that fewer/less frequent SEC reporting to investors and fewer enforcement actions by the SEC may result in fewer class action lawsuits. It was also noted that with the large number of firms incorporating and moving HQ to Texas may also result in fewer class action lawsuits due to more "conservative, less friendly" Judges in Texas.

5. **New NAPPA Member Track:** The opening day of the conference included a New Member track that addressed three pillars of serving a public pension – fiduciary duty, benefits and actuarial functions, and investments. The first session covered the legal framework guiding fiduciaries of public pension plans and emphasized two core responsibilities: duty of loyalty and duty of care. The second presentation focused on how public pension plans are structured and maintained from a legal and financial perspective. The final presentation gave practical tips for reviewing the various documents needed for investments. These 101 type sessions also provided an important opportunity to connect with fellow new members.

We end with this **Pension Promise:**

A Pension is a promise to pay someone money they haven't earned yet, from money that doesn't exist yet, to people we can't identify yet!

Call with any questions

Frank and Iliana

FRANK B. BURNEY
DIRECT DIAL (210) 220-1339
MOBILE: (210) 289-5843
EMAIL: FBURNEY@MDTLAW.COM

MARTIN & DROUGHT, P.C.

WESTON CENTRE
112 E.PECAN STREET STE 1616
SAN ANTONIO, TEXAS 78205
TEL: (210) 227-7591
FAX: (210) 227-7924

Good morning, Board Members,

Before I begin, I would like to first give thanks to Almighty God for His blessings, guidance, and grace.

My name is Dr. Anthony Rogers. I am a former Fire Chief with the City of McAllen Fire Department and a retired Fire Captain with the San Antonio Fire Department. I appreciate the opportunity to address the Board regarding recent issues involving The Fund.

Before I begin, I want to be clear about my position. I support the authority and governance of this Board. While members have the right to pursue a recall under the governing documents and applicable law, I do not currently see sufficient justification for such action. My purpose today is not to criticize, but rather to offer constructive observations and recommendations based on my professional experience in leadership, administration, and risk management.

Allow me to provide some background. Throughout my career with the San Antonio Fire Department, I was fortunate to receive encouragement and support from my fellow firefighters and leadership while pursuing higher education. I am grateful to God, my family, and my second family—the fire service—for helping me achieve my educational and professional goals. I owe a debt of gratitude to those individuals, and it is in that spirit of service that I offer my comments today.

From a management perspective, a healthcare fund is not simply purchasing healthcare benefits. A healthcare fund is fundamentally engaged in risk management. The Board's responsibility extends beyond paying claims; it involves identifying risks, measuring trends, managing costs, and improving the long-term health outcomes of its members.

Statistics and data analytics should serve as critical decision-making tools for the Board. The data should identify and track conditions that significantly affect healthcare expenditures, including:

- Diabetes and prediabetes
- Metabolic syndrome
- Obesity
- Cardiovascular disease
- Chronic kidney disease
- Hypertension
- Cancer and other chronic illnesses, and
- High-cost medical conditions affecting Fund members and dependents

By analyzing this information, the Board can better evaluate both the financial and health impacts of various treatment options and preventive programs.

For example, one question might be whether providing Continuous Glucose Monitors (CGMs) to diabetic members is more cost-effective

For example, one question might be whether providing Continuous Glucose Monitors (CGMs) to diabetic members is more cost-effective than relying solely on traditional finger-stick glucose testing. While a CGM may have a higher upfront cost, it may also improve compliance, provide earlier detection of glucose fluctuations, reduce emergency room visits, decrease hospitalizations, and help prevent long-term complications such as kidney disease, vision loss, neuropathy, and cardiovascular events.

The question should not simply be, "What does it cost today?" Rather, the question should be, "What costs can we prevent tomorrow?"

Healthcare decisions should be supported by actuarial analysis, utilization data, clinical outcomes, and evidence-based medicine. A proactive approach focused on prevention and disease management often produces better outcomes for members while reducing long-term expenses for the Fund.

As fiduciaries, the Board has an obligation to act in the best interests of all members and beneficiaries. This responsibility includes continuously evaluating programs, reviewing emerging healthcare technologies, and making informed decisions based upon reliable data rather than assumptions.

I encourage the Board to continue engaging members, communicating openly, and utilizing available healthcare data to guide future decisions. By working together, we can ensure that The Fund remains financially sound while continuing to provide quality healthcare benefits for current and future retirees and active members.

Thank you for your service, your leadership, and the opportunity to address the Board today.

Respectfully,

Dr. Anthony Rogers, PhD, PHR, CC
Retired Fire Captain, San Antonio Fire Department
Former Fire Chief, McAllen Fire Department

Why Statistics and Actuarial Science Matter in Healthcare Evaluation

A board-ready explanation of how clinical data, risk measurement, and cost projection should guide healthcare decisions

Statistics and actuarial science are the bridge between medical judgment and financial responsibility. In healthcare, the question is not only, "Does this treatment help?" The governance question is whether an intervention improves outcomes enough, for the right population, at the right time, to justify the cost, reduce future risk, and protect the fund long-term.

A healthcare fund is not just buying healthcare. It is managing risk.

1. Statistics tells the board what is actually happening

Statistics separates evidence from assumption. It identifies how many members have diabetes, prediabetes, metabolic syndrome, kidney disease, cardiovascular disease, obesity, or other high-cost risk factors.

It shows whether costs are rising because more people are sick, because services are more expensive, because utilization is increasing, or because care is being delayed until it becomes catastrophic.

It also shows trends over one year, three years, five years, and ten years so the board can see whether a problem is emerging, accelerating, or being controlled.

2. Actuarial science converts medical risk into financial risk

Actuarial science takes clinical and claims data and asks what the expected future cost will be, what the probability of high-cost claims is, and what the financial exposure looks like under different assumptions.

For a retiree healthcare fund, this is critical because the board is managing an aging risk pool. The fund is not merely paying today's claims; it is protecting reserves, contribution rates, premiums, benefits, and long-term solvency.

An actuarial evaluation should estimate the cost of action, the cost of inaction, the break-even point, and the five-year or ten-year impact on the fund.

3. Healthcare decisions must measure both cost and avoided cost

A weak analysis looks only at the immediate cost of a benefit. For example, saying that a continuous glucose monitor costs a certain amount per member per month is not a complete healthcare evaluation.

A proper analysis asks whether earlier intervention may avoid hospitalizations, medication escalation, kidney disease, cardiovascular events, amputations, emergency-room use, or other downstream costs.

The real financial question is not simply, "What does this benefit cost?" The real question is, "What does it cost if we do not intervene?"

4. Statistics exposes whether a report is complete or superficial

A report may look technical but still fail to answer the actual governance question. A complete healthcare evaluation should include population data, baseline claims data, trend analysis, comparison groups, clinical evidence, actuarial modeling, and disclosed assumptions.

Every assumption should be visible: adoption rate, compliance rate, device cost, provider cost, complication rate, avoided-cost estimate, and sensitivity to different outcomes.

Without these components, a board may be making a major healthcare decision based on a cost comparison rather than a risk analysis.

5. Actuarial analysis should include scenario modeling

Healthcare decisions rarely provide perfect certainty. That does not excuse the absence of analysis. A competent actuarial review can model conservative, moderate, and optimistic scenarios.

The conservative scenario may assume low participation and modest improvement. The moderate scenario may assume reasonable participation and measurable clinical improvement. The optimistic scenario may assume high engagement and stronger downstream savings.

If exact savings cannot be known, the proper response is not to stop the analysis. The proper response is to estimate savings in ranges, disclose the assumptions, and explain the risk under multiple scenarios.

6. Rising healthcare costs make this discipline more important

Healthcare costs are continuing to rise nationally, including hospital care, physician and clinical services, and prescription drugs. That makes prevention, early intervention, and chronic-disease management more important, not less.

A fund that waits until disease becomes advanced may avoid a smaller cost today but create a larger claim tomorrow.

Good statistics and actuarial science allow the board to compare present cost against future risk instead of reacting to invoices after the damage has already occurred.

Board-level checklist for a defensible healthcare decision

Question the board should be able to answer	Why it matters
What is the affected population?	Defines the size and seriousness of the healthcare problem.
What are the current claims and utilization trends?	Shows whether the problem is stable, improving, or worsening.
What is the cost of the proposed intervention?	Measures the immediate financial commitment.
What is the cost of not intervening?	Measures future exposure and potential avoidable claims.
What clinical evidence supports the intervention?	Connects the financial decision to medical outcomes.
What assumptions were used?	Allows trustees and members to test whether the analysis is reasonable.
What scenarios were modeled?	Shows the range of possible outcomes instead of pretending there is only one answer.

Strong summary statement

> **Statistics identifies the healthcare problem. Actuarial science measures the financial risk. Together, they allow a healthcare fund to evaluate whether a benefit, provider model, or clinical policy is medically justified, financially prudent, and protective of the members. Without both, the board is not truly evaluating healthcare cost; it is merely reacting to invoices after the damage has already occurred.**

Sources referenced

Society of Actuaries, Health Care Cost Trends resources.

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American Diabetes Association, Economic Costs of Diabetes in the U.S. in 2022.

Centers for Medicare & Medicaid Services, National Health Expenditure Data fact sheet.

FIRE AND POLICE RETIREE HEALTHCARE FUND, SAN ANTONIO

INVESTMENT POLICY STATEMENT

Revised

May 2026~~5~~

The purpose of this document is to set forth the goals and objectives of the Fire and Police Retiree Healthcare Fund, San Antonio ("the Fund"), and to establish guidelines for the implementation of investment strategy.

Any revisions to this document may be made only with the approval of the Board of Trustees of the Fund.

The Trustees of the Fund recognize that a stable, well-articulated investment policy is crucial to the long-term success of the Fund. As such, the Trustees have developed this Investment Policy Statement with the following goals in mind:

- To clearly and explicitly establish the objectives and constraints that govern the investment of the Fund's assets,
- To establish a long-term target asset allocation with a high likelihood of meeting the Fund's objectives given the explicit constraints, and
- To protect the financial health of the Fund through the implementation of this stable long-term investment policy.

I. Purpose and Scope

The purpose of the Fire and Police Retiree Health Care Fund, San Antonio is to maintain a pool of assets that can be used for the health care expenses of retired members of San Antonio Fire and Police Departments in accordance with plan documents. This Investment Policy was adopted by the Board of Trustees to establish a clear understanding of the Fund's philosophy and investment objectives in order to provide health care benefits to participants and beneficiaries.

This Policy applies to all assets that are included in the Fund's investment portfolio for which the Board of Trustees has investments authority.

II. Investment Objectives

The investment strategy of the Fire and Police Retiree Healthcare Fund is designed to ensure the prudent investment of funds in such a manner as to provide real growth of assets over time while protecting the value of the assets from undue volatility or risk of loss.

The primary investment objective of the Fund is to provide sufficient liquidity to pay health care expenses of retired members and ultimately achieve and maintain fully funded status (100% funding) of the Fund. The objectives intend to provide the Fund sufficient flexibility to accommodate the variability of health care expenses and changing financial circumstances and market conditions.

A. Risk Objectives

1. To accept the minimum level of risk required to achieve the Fund's return objective as stated immediately below.
2. To minimize the likelihood of experiencing a loss over any five-year period.
3. To use diversification to minimize exposure to company and industry-specific risks in the aggregate investment portfolio.

B. Return Objective

1. In a manner consistent with the goals stated in Section I above, to manage the Fund's assets so as to target a **7.0%** nominal return over long periods of time.

III. Investment Constraints

A. Legal and Regulatory

The Trustees intend that the assets of the Fund at all times are invested in accordance with the Prudent Investor Rule, consistent with applicable statutory requirements and governing instruments. The Trustees will retain legal counsel when appropriate to review contracts and provide advice with respect to applicable statutes and regulations.

B. Time Horizon

The Fund will be managed on a going-concern basis. The assets of the Fund will be invested with a long-term time horizon (twenty years or more), consistent with the participant demographics and the purpose of the Fund.

C. Liquidity

The Trustees intend to maintain sufficient liquidity to meet at least three years of anticipated beneficiary payments (see Appendix D).

Further, the Trustees intend to invest no more than 60% of the Fund's assets in illiquid vehicles.[1]

D. Tax Considerations

The Fund is a tax-exempt entity. Therefore, investments and strategies will be evaluated on a basis that is indifferent to taxable status, except where the prospect of Unrelated Business Taxable Income (UBTI) is a concern.

IV. Risk and Return Considerations

The Trustees accept the risks associated with investing in the capital markets (market risks), but will minimize wherever possible those risks for which the Fund is unlikely to be compensated (non-market or diversifiable risks).

V. Diversification

The Trustees recognize that an important element of risk control is diversification. Therefore, investments will be allocated across multiple classes of assets, chosen in part for the expected correlation of their returns. Within each asset type, the Trustees will seek to distribute investments across many individual holdings, thus expecting to further reduce volatility. In addition, each investment manager's guidelines will specify the largest permissible investment in any one asset and will set other diversification requirements.

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[1] Illiquid vehicles are defined as those vehicles that do not allow withdrawals to occur on at least a quarterly basis.

VI. Asset Allocation

The Trustees recognize that the allocation of monies to various asset classes will be the major determinant of the Fund's return and risk experience over time. Therefore, the Trustees will allocate investments across those asset classes that, based on historical and expected returns and risks, provide the highest likelihood of meeting the Fund's investment objectives.

A. Permissible Asset Classes

Because investment in any particular asset class may or may not be consistent with the objectives of the Fund, the Trustees have specifically indicated in Appendix A those asset classes that may be utilized when investing the Fund's assets.

B. Expected Returns, Risks, and Correlations for Permissible Asset Classes

The risk and return behavior of the Fund will be driven primarily by the allocation of investments across asset classes. In determining the appropriate allocation, the expected return and risk behavior of each asset class and the likely interaction of various asset classes in a portfolio are to be considered. Appendix B lists the expected return, volatility, and correlations for each permissible asset class.

C. Long-Term Target Allocations

Based on the investment objectives and constraints of the Fund, and on the expected behavior of the permissible asset classes, the Trustees will specify a long-term target allocation for each class of permissible assets. These targets will be expressed as a percentage of the Fund's overall market value, surrounded by a band of permissible variation resulting from market forces.

The long-term target allocations are intended as strategic goals, not short-term imperatives. Thus, it is permissible for the overall Fund's asset allocation to deviate from the long-term target, as would likely occur during manager transitions, asset class restructurings, and other temporary changes in the Fund. Deviations from targets that occur due to capital market changes are discussed below.

The Fund's target allocations for all permissible asset classes are shown in Appendix C.

D. Rebalancing

In general, cash flows to and from the Fund will be allocated in such a manner as to move each asset class toward its target allocation.

The Trustees recognize that, periodically, market forces may move the Fund's allocations outside the target ranges. The Trustees also recognize that failing to rebalance the allocations would unintentionally change the Fund's structure and risk posture. Consequently, the Trustees have established the following process to rebalance the allocations periodically.

On at least an annual basis, if any strategic allocation is outside the specified target range, assets will be shifted to return the strategy to within the target range. The specific plan for rebalancing will identify those assets that can be shifted at the lowest possible risk and cost, if the rebalancing cannot be accomplished solely by allocating contributions and withdrawals.

VII. Review of Investment Policy, Asset Allocation, and Performance

The Investment Policy Statement will be reviewed annually to ensure that the objectives and constraints remain relevant. However, the Trustees recognize the need for a stable long-term policy for the Fire and Police Retiree Healthcare Fund, San Antonio, and major changes to this policy statement will be made only when significant developments in the circumstances, objectives, or constraints of the Fund occur.

The asset allocation of the Fund will be reviewed on an on-going basis, and at least every three years. When necessary, such reviews may result in a rebalancing of asset allocations. In general, the Trustees intend that the Fund will adhere to its long-term target allocations, and that major changes to these targets will be made only in response to significant developments in the circumstances, objectives, or constraints of the Fund or in the capital market opportunities.

The Trustees will specifically evaluate the performance of the Fund relative to its objectives and to the returns available from the capital markets during the period under review. In general, the Trustees will utilize relative, rather than absolute, benchmarks in evaluating performance. The total performance of the Fund shall be evaluated relative to the investment objectives and constraints identified in this investment policy statement. Specifically, the total Fund performance shall be evaluated relative to a "custom benchmark" that weights the returns of available market indices on the basis of the Fund's target investment structure, to assess the implementation of the Fund's investment strategy.

VIII. Investment Costs

The Trustees intend to monitor and control investment costs at every level of the Fund.

- Professional fees will be negotiated whenever possible.
- Where appropriate, passive portfolios will be used to minimize management fees and portfolio turnover.
- If possible, assets will be transferred in-kind during manager transitions and Fund restructurings to eliminate unnecessary turnover expenses.
- Managers will be instructed to minimize brokerage and execution costs.

IX. Voting of Proxies

The Trustees recognize that the voting of proxies is important to the overall performance of the Fund. The Trustees have delegated the responsibility of voting all proxies to the investment managers. The Trustees expect that managers will execute all proxies in a timely fashion. Also, the Trustees expect the managers to provide a full accounting of all proxy votes, and upon request, a written explanation of individual voting decisions.

X. Forbidden Assets and Strategies

Within their investment guidelines, each separately managed account will be furnished with a list of asset types and investment strategies that are forbidden.

APPENDIX A

PERMISSIBLE ASSET CLASSES

Asset Class
Public Domestic Equity
Public Foreign Equity
Emerging Market Equity
Private Equity
Private Debt
Real Estate
Investment Grade Bonds
TIPS
High Yield Bonds
Bank Loans
Emerging Market Bonds
Natural Resources
Infrastructure
Commodities
REITs
Hedge Funds
Cash

APPENDIX B

TWENTY-YEAR, SINGLE ASSET CLASS AND SUB-ASSET CLASS FORECAST [1]

Asset Class	Expected Return	Volatility
Cash Equivalents	3.1	1.0
Short-term Investment Grade Bonds	4.03	1.0
Investment Grade Bonds	5.34.9	4.0
Investment Grade Corporate Bonds	5.49	7.0
Short-term TIPS	4.01	5.0
TIPS	5.04.7	7.0
High Yield Bonds	7.16.6	11.0
Bank Loans	6.48	10.0
Foreign Bonds	3.94.1	8.0
Emerging Market Bonds (major)	7.16.6	12.0
Emerging Market Bonds (local)	6.47	12.0
US Equity	8.04	17.0
Developed Market Equity (non-US)	8.77.9	18.0
Emerging Market Equity	8.07	212.0
Global Equity	8.05	17.0
Private Equity	101.2	265.0
Buyouts	102.9	24.0
Growth Equity	11.410.6	30.0
Venture Capital	11.09	34.0
Private Debt	9.18.2	15.0
Direct Lending	8.27.4	15.0
Special Situations Lending	9.49	17.0
Private Equity Fund of Funds	9.09	26.0
Real Estate	8.35	165.0
REITs	7.8	23.0
Core Private Real Estate	7.34	12.0
Value-Added Real Estate	9.56	20.0
Opportunistic Real Estate	10.89	26.0
Natural Resources (Public)	9.18.5	212.0
Natural Resources (Private)	9.28.6	212.0
Commodities: naïve	5.49	17.0
Infrastructure	9.02	198.0
Infrastructure (Public)	9.08.6	17.0
Infrastructure (Core Private)	8.07.9	154.0
Infrastructure (Non-Core Private)	10.13	242.0

[1] Expected return and standard deviation are based upon Meketa Investment Group's 2025 2026 Annual Asset Study. Returns for periods longer than one year are annualized.

APPENDIX B

EXPECTED CORRELATIONS AMONG ASSET CLASSES AND SUB-ASSET CLASSES

	Cash Equivalents	Investment Grade Bonds	TIPS	High Yield Bonds	Bank Loans	Emerging Market Bonds (major)	U.S. Equity	Developed Market Equity	Emerging Market Equity	Private Equity	Private Debt	Real Estate	Natural Resources (private)
Cash Equivalents	1.00	0.12	0.04	-0.09	-0.12	-0.01	-0.06	-0.01	0.00	0.11	0.04	0.12	-0.02
Investment Grade Bonds	0.12	1.00	0.77	0.35	0.06	0.61	0.18	0.28	0.26	0.00	0.07	0.26	0.15
TIPS	0.04	0.77	1.00	0.47	0.25	0.65	0.25	0.34	0.35	0.03	0.16	0.16	0.14
High Yield Bonds	-0.09	0.35	0.47	1.00	0.83	0.81	0.74	0.77	0.72	0.66	0.87	0.56	0.57
Bank Loans	-0.12	0.06	0.25	0.83	1.00	0.61	0.60	0.59	0.57	0.63	0.94	0.51	0.51
Emerging Market Bonds (major)	-0.01	0.61	0.65	0.81	0.61	1.00	0.60	0.71	0.72	0.41	0.48	0.35	0.60
U.S. Equity	-0.06	0.18	0.25	0.74	0.60	0.60	1.00	0.87	0.71	0.90	0.71	0.53	0.72
Developed Market Equity	-0.01	0.28	0.34	0.77	0.59	0.71	0.87	1.00	0.85	0.83	0.69	0.49	0.67
Emerging Market Equity	0.00	0.26	0.35	0.72	0.57	0.72	0.71	0.85	1.00	0.79	0.64	0.42	0.68
Private Equity	0.11	0.00	0.03	0.66	0.63	0.41	0.90	0.83	0.79	1.00	0.72	0.48	0.63
Private Debt	0.04	0.07	0.16	0.87	0.94	0.48	0.71	0.69	0.64	0.72	1.00	0.53	0.54
Real Estate	0.12	0.26	0.16	0.56	0.51	0.35	0.53	0.49	0.42	0.48	0.53	1.00	0.54
Natural Resources (private)	-0.02	0.15	0.14	0.57	0.51	0.60	0.72	0.67	0.68	0.63	0.54	0.54	1.00

APPENDIX D

LIQUIDITY PROJECTIONS[1]

Current net cash inflows are approximately $12 to $18 million per year and are expected to continue for at least the next decade. This pattern results in a net positive yearly cash flow of approximately 2-3% of Plan assets, based on the Fund's year-end ~~2024~~ 2025 asset value and on the assumed rate of return of 7.0% per year.

[1] Liquidity projections provided by the Fund's actuary.

Board Meeting Sign-In Sheet

June 29, 2026

	Name	Organization/Title	Phone/Email
1)	MICHAEL F. RANKIN	SAFD RETIRED	210-843-7171
2)	PATRICIA RANKIN	ESPOSA	210-843-7171
3)	Walter Jetes	SAFD Retired	215-859-2285
4)	Kenneth Hagen	SAPD	210-313-7956
5)	Roy Wilborn	SAFD	210 273 5726
Spouse	Jana Wilborn	SAPD	210 378-8503
7)	DAVID MONTALVO	SAFD	210-669-8820
Spouse 8)	Nikki Montalvo	SAFD	210-300-2236
9)	Javier Patlan	SAFD	210-963-9069
10)	Jim Wuesth	SAFD	210 386 9495
11)	Tyler Weisbeck	SAFD	210-807-0832
Spouse 12)	Patsy Rogers	W	210-392-7370
13)	Anthony Rojas	SAFD	210-392-7370
14)	Bart Montgomery	SAFD	210-887-0357
15)	Michael Helle	SAPD	210-379-8777
16)	Keith Crosier	FIRE	210 834 0007

Board Meeting Sign-In Sheet

June 29, 2026

	Name	Organization/Title	Phone/Email
17	Armando Perez	Staff Retire	210 391 7644
18	Jimmy Redmond	SLSD Ret	Jimmy2900@gmail.com
19	LARRY REED	RET FIRE	210.725.4874
20	Joe Carrillo	Ret Police	210 995-6217
21	M. CONNAUGHTHAY	RETIRED L624	210 556 2013